

16. (Once Amended) The method of claim 13, further including the step of receiving, at the central computer, digital signals from one of said first and second computers specifying automatic reinvesting of client income and client capital gains using the stored client rules.

## **II. REMARKS**

The Examiner is requested to reconsider the application in view of the foregoing amendment and the following remarks.

Respectfully, and generally for the reasons set forth below, the objections and rejections and each ground therefor -- to the extent not rendered moot by the foregoing Amendment -- are traversed. Generally, it is believed that the amendment adds no new matter.

### **A. Paragraphs of Objections and/or Rejections**

#### **1. Paragraph 1 of the Office Action**

In paragraph 1 of the Office Action, the Examiner has objected claim 16, pursuant to 35 U.S.C. Sec. 112, first paragraph. The Examiner contends that the claim is unclear.

In response, the language at issue in the claim has been clarified.

#### **2. Paragraph 2 of the Office Action**

In paragraph 2 of the Office Action, the Examiner has rejected claim 5 pursuant to 35 U.S.C. Sec. 112, second paragraph. The Examiner contends that the claim is unclear.

In response, the language at issue in the claim has been clarified.

#### **3. Paragraph 3 of the Office Action**

In paragraph 3 of the Office Action, the Examiner has rejected claims 1, 9, 10, 12-15, 21, 22, 25, 26, 28-32, and 40-43 pursuant to 35 U.S.C. Sec. 102 in view of Cwenar. The Examiner contends that Cwenar teaches all requirements of these claims. In

response, the contentions are traversed, and as regards claim 1, the response is inserted into the Examiner's contentions.

- receiving, at a central computer, first digital signals from a first computer specifying a custom set of investments for a fund (Abstract; Figure 1; and Col. 3, line 65);
- receiving, at a central computer, second digital signals from a second computer specifying a custom set of investments for the fund (Abstract; Figure 1 and Col. 3, line 65);

Col. 3, line 65 of Cwenar states: "The present invention provides a computerized system for permitting a system to obtain information regarding investments from a plurality of *nonuser outside* (italicized for emphasis) sources, process the same in the external data interface and formatting, creating new data, and storing data in the central database which is on the associated sector."

In the present invention, the digital signals specifying custom sets of investments for a fund come from *investors* in the fund. Investors in a fund are *internal* to the fund and are *users* of fund services. They are *not* (Col. 1, line 60) the subscription services that provide investment data to investment companies – the "nonuser outside sources" referred to by Cwenar. Recognizing the claim requirements as they are, the meaning of the Cwenar disclosure, including at Col. 3, line 65, demonstrates that Cwenar is teaching a computer system that is unrelated to the present invention as a whole.

Nowhere in Cwenar is there a disclosure of receiving digital signals specifying a first (let alone a second) custom set of investments for a fund. His invention is about (Col. 1, line 60) computerizing the connections between companies in the investment business with subscription services that provide investment data, which he refers to as "nonuser outside sources." Investment data received from subscription services does not and cannot specify custom sets of investments for a fund. Therefore, Cwenar does not teach or suggest the

present invention.

- generating, at the central computer, digital signals for acquisition of investments consistent with the first digital signals and the second digital signals (Abstract; Figure 1; and Col. 4, line 7);
- entering transaction data, at the central computer, reflecting the acquisition of said investments (Abstract; Figure 1; and Col. 4, line 7); and,

At Col. 4, line 7, Cwenar states: “A request for data or information originating within the external user interface results in the server processing the request as by finding the data in the main or central database and returning the information to the external user interface for processing, such as display, performing calculations and performing spreadsheet-like, what-if calculations.” There is no reference to generating digital signals for the acquisition of investments nor to entering transaction data reflecting the acquisition of said investments. Nor are there such references in the Abstract or Figure 1.

- outputting a separate accounting for each said set of investments within the fund (Abstract; Col. 4, line 18; and Col. 7, line 27).

At Col. 4, line 18, Cwenar teaches: “During the use of the system, data is delivered to the client workstation (external user interface) and placed in temporary storage in the random access memory so that the data can be processed, such as by utilization, manipulation and display, for example.” In Col. 7, line 27, Cwenar says: “The user may not only access the data according to specific requests, but may export the data to industry standard word processors, spreadsheets, analysis tools or data files, for example.” There is no reference to outputting a separate accounting for each said set of investments within the fund. Nor are there such references in the Abstract or Figure 1.

It is respectfully submitted that the rejection of Claim 1 has not been shown anticipated because Cwenar does not teach any of the above steps in claim 1. Therefore

anticipation has not been shown for any claims depending on Claim 1 too.

For example, claims 9 and 10 have been rejected as anticipated. The Examiner contends that Cwenar teaches a method wherein a compliance check is performed to compare a proposed trade with a group of rules (Col. 2, lines 41-51 and col. 11, line 35).

Claims 9 and 10 are dependent upon claim 1 and, therefore, include all of the steps of claim 1. Since Cwenar does not teach or anticipate the steps of claim 1, he does not teach or anticipate Claims 9 and 10. And in viewing the claim as a whole, a compliance check for one thing in one context is not the same as a compliance check for another thing in another context.

Further, claim 12 has been rejected as anticipated. The Examiner contends that Cwenar teaches a method wherein investments are grouped into subsets called “baskets” to create individualized investment portfolios (Col. 13, line 19).

At Col. 13, line 19, Cwenar teaches: “For convenience of reference, a grouping of any securities will be referred to as ‘baskets.’” There is no reference to “receiving subsets of the set; and the step of outputting includes outputting an accounting for each subset (claim 12)” nor to creating individualized investment portfolios.

Additionally, Claim 13 has been rejected as anticipated. The Examiner contends that Cwenar teaches a method wherein client rules are specified and stored (Col. 10, lines 23-26).

At Col. 10, lines 23-26, Cwenar teaches: “Also shown in FIG. 4 are a plurality of user workstations each having an external user interface means 126, 128, 130, 132, 134, 136, 140 in communication with server 100 and central database 101.” There is no mention of specifying and storing client rules either in the cited reference or in the FIG. 4 cited in the reference.

Claims 14, 15, 21 and 22 have also been rejected as anticipated. The Examiner

contends that Cwenar teaches a method wherein a multiple of users may access a server and central database to make changes to stored investment data (Col. 5, lines 56-63).

At Col. 5, lines 56-63 Cwenar teaches: "One of the advantageous features of the present invention is that the server means 4 houses the central database, which, in general, serves as a central repository of investment data and multiple users can access data simultaneously. As data changes, the data stored in server 4 will be updated and the users will be provided with the changed data on a global basis." There is no mention of "receiving, at the central computer, a new transaction order from at least one of said first and second computers, for changing the set of investments such that the fund is a dynamically ongoing fund" (claim 14). Nor is there any mention of "retrieving the stored first client rules in implementing the new transaction with changed investments" (claim 15). Neither is there any mention of "specifying second client rules and storing the second client rules" (claim 21). Nor is there any mention of "retrieving the stored second client rules to implement a subsequent transaction order while maintaining said investments corresponding to said new transaction order under said first client rules" (claim 22).

Claims 25, 26 and 28-31 have additionally been rejected as anticipated. The Examiner contends that Cwenar teaches a method wherein an interchange architecture facilitates real-time communication between the investor's workstation, fund accounting environment, traders, and portfolio managers (Col. 10, line 48 and col. 10, lines 57-67).

Claims 25, 26 and 28-31 are dependent upon claim 1 and, therefore, include all of the steps of claim 1. Because Cwenar does not teach or anticipate the steps of claim 1, Cwenar cannot teach or anticipate claims 25 and 26 nor claims 28-31. Further, in viewing the claim as a whole, an element for one application in one context is not the same as an element for application in another context.

Moreover claims 32 and 41 have been rejected as anticipated. The Examiner

contends that Cwenar teaches a method wherein investment requests are received through an “external user interface” which facilitates communication between users, data sources, servers, and libraries (Col. 5, line 64 to col. 6, line 9).

However, claims 32 and 41 are dependent upon claim 1 and, therefore, include all of the steps of claim 1. Because Cwenar does not teach or anticipate the steps of claim 1, Cwenar cannot teach or anticipate Claims 32 and 41. Further, in viewing the claim as a whole, an element for one application in one context is not the same as an element for application in another context.

Still further, claim 40 has been rejected as anticipated. The Examiner contends that Cwenar teaches a method wherein a user may input investment rules into the central database via an external user interface (Col. 11, line 44).

At Col. 11, line 44, Cwenar teaches: “If the user has such privileges, he or she may input rules through the external user interface.” Cwenar does not teach “receiving a selection from a set of investment management rules provided said central computer for managing said corresponding set of investments” (claim 40).

With further regard to rules, the Examiner seems to have confused rules that are used to determine compliance (of transactions orders to the compliance rule set) with rules for managing a set of investments. Cwenar teaches rules that are use to determine compliance (Col. 11, line 49 to col. 12, line 21). The present invention is directed to rules for managing a set of investments. Rules pertaining to one thing is not a teaching of rules pertaining to something else. Applicant’s claimed rules are not rules used to screen transactions orders for compliance – Applicant’s rules are used to develop and define the specific set of transactions that will be orders that are generated by the central computer in response to a general transactions order (e.g., invest \$1,000 according to the rules I have specified for managing my set of investments).

Yet further, claims 42 and 43 have been rejected as anticipated. The Examiner contends that Cwenar teaches a method wherein the system receives user-defined rules. The rules contain information regarding investment diversification (i.e., asset allocation percentages) (Col. 12, line 12).

Cwenar does not teach “receiving a selection (from a set of investment management rules provided by said central computer) includes receiving data for at least one parameter consisting of client age, client risk preference, client retirement age, client income, client investment amount, client target retirement income” (claim 42). Once again, the Examiner seems to be confusing rules for compliance as taught by Cwenar with investment management rules as claimed in the present invention.

#### **4. Paragraph 4 of the Office Action**

In paragraph 4 of the Office Action, the claims 2-8, 11, 23, 24, 33-39, and 44-51 have been rejected pursuant to 35 U.S.C. 103(a). The Examiner contends that these claims are obvious in view of Cwenar US Pat No. 5,893,079.

In response, the contention is respectfully traversed for reasons set forth above in section 3, and further as is set forth herein. Again, the contentions of the Examiner in the Office Action are set out below along with Applicant’s more particular response.

For claims 2-8, the Examiner concedes that Cwenar fails to teach a method wherein

- digital signals for acquisition of equity asset investments are generated;
- digital signals for acquisition of interest bearing assets are generated; and
- digital signals for acquisition of derivatives are generated.

The Examiner argues that it would be obvious to modify the teachings of Cwenar to include a method wherein digital signals for acquisition of equity asset investments, interest bearing investments, and derivatives are generated because Cwenar’s invention receives,

processes, creates, stores and disseminates signals for “investment data.” The Examiner further argues that because Cwenar does not explicitly limit the term “investment data,” it would have been obvious that investment data can include data for equity asset investments, interest bearing investments, and derivatives.

However, in the specification of his invention, Cwenar specifies subscription services, which Cwenar refers to as “nonuser outside sources” as the source of the investment data used in his invention (col. 1, lines 60-64). This is a strong limitation of the kind of “investment data” that Cwenar’s invention is designed to receive, process, create, store and disseminate. Specifically, because “nonuser outside sources” do not and cannot order a fund to make investments, the investment data received from them cannot include digital signals for the acquisition of equity asset investments, interest bearing assets, or derivatives. *Is this true?* Further, the only motivation to make the change is the instant application, and the Examiner is required to show a motivation existing in the cited art—a prior art reference is required. More over, it cannot be said that it would be obvious to modify Cwenar include these claims because Cwenar does not teach the present invention as a whole, as set out above in Sec. 3: none of the method steps of claim 1 are disclosed. Each of these claims is dependent upon and, therefore, includes the steps of claim 1, and Cwenar alone is insufficient to render claim 1 obvious. It cannot be obvious to modify Cwenar in order to include a method for an invention that Cwenar does not otherwise teach.

For claim 11, the Examiner also concedes that Cwenar fails to teach a method wherein rules limit a minimum investment. The Examiner argues that it would have been obvious to modify Cwenar to include a method wherein rules limit a minimum investment. Further, the only motivation to make the change is the instant application, and the Examiner is required to show a motivation existing in the cited art—a prior art reference is required. More over, it cannot be said that it would be obvious to modify Cwenar include these claims because



Cwenar does not teach the present invention as a whole, as set out above in Sec. 3: none of the method steps of claim 1 are disclosed. Each of these claims is dependent upon and, therefore, includes the steps of claim 1, and Cwenar alone is insufficient to render claim 1 obvious. It cannot be obvious to modify Cwenar in order to include a method for an invention that Cwenar does not otherwise teach.

For claims 16 and 23, the Examiner also concedes that Cwenar fails to teach a method of specifying the automatic reinvesting of client incomes and capital gains using client rules. The Examiner argues that it would have been obvious to modify Cwenar to include a method specifying the automatic reinvesting of client incomes and client capital gains using client rules. However, Cwenar does not teach the use of client rules (let alone the use of first and second sets of client rules as per the present invention) to manage investments. Cwenar instead teaches rules that are used to determine compliance (col. 11, line 49 to col. 12, line 21). Because Cwenar teaches neither the use of client rules to manage investments nor the present invention, it cannot be obvious to modify Cwenar to teach this method of the present invention. Further, the only motivation to make the change is the instant application, and the Examiner is required to show a motivation existing in the cited art—a prior art reference is required. Moreover, it cannot be said that it would be obvious to modify Cwenar include these claims because Cwenar does not teach the present invention as a whole, as set out above in Sec. 3: none of the method steps of claim 1 are disclosed. Each of these claims is dependent upon and, therefore, includes the steps of claim 1, and Cwenar alone is insufficient to render claim 1 obvious. It cannot be obvious to modify Cwenar in order to include a method for an invention that Cwenar does not otherwise teach.

For claims 17, 18, and 24, the Examiner additionally concedes that Cwenar fails to teach a method of periodic rebalancing using client rules. The Examiner argues that it would have been obvious to modify Cwenar to include a method of periodic rebalancing using client

rules. Once again, Cwenar does not teach the use of client rules (let alone the use of first and second sets of client rules as per the present invention) to manage investments. Cwenar instead teaches rules that are used to determine compliance (col. 11, line 49 to col. 12, line 21). Because Cwenar teaches neither the use of client rules to manage investments nor the present invention, it cannot be obvious to modify Cwenar to teach this method of the present invention. Further, the only motivation to make the change is the instant application, and the Examiner is required to show a motivation existing in the cited art—a prior art reference is required. Moreover, it cannot be said that it would be obvious to modify Cwenar include these claims because Cwenar does not teach the present invention as a whole, as set out above in Sec. 3: none of the method steps of claim 1 are disclosed. Each of these claims is dependent upon and, therefore, includes the steps of claim 1, and Cwenar alone is insufficient to render claim 1 obvious. It cannot be obvious to modify Cwenar in order to include a method for an invention that Cwenar does not otherwise teach.

For claim 19, the Examiner still further concedes that Cwenar fails to teach a method wherein a change in market condition triggers a rebalancing (using stored client rules). The Examiner argues that it would have been obvious to modify Cwenar to include a method wherein a change in market condition triggers a rebalancing (using stored client rules). However, Cwenar does not teach the use of client rules to manage investments. Cwenar teaches rules that are used to determine compliance (col. 11, line 49 to col. 12, line 21). Because Cwenar teaches neither the use of client rules to manage investments nor the present invention, it cannot be obvious to modify Cwenar to teach this method of the present invention. Further, the only motivation to make the change is the instant application, and the Examiner is required to show a motivation existing in the cited art—a prior art reference is required. Moreover, it cannot be said that it would be obvious to modify Cwenar include these claims because Cwenar does not teach the present invention as a whole, as set out above in Sec. 3: none of

the method steps of claim 1 are disclosed. Each of these claims is dependent upon and, therefore, includes the steps of claim 1, and Cwenar alone is insufficient to render claim 1 obvious. It cannot be obvious to modify Cwenar in order to include a method for an invention that Cwenar does not otherwise teach.

For claims 33-39, the Examiner yet additionally concedes that Cwenar fails to teach a method wherein a central computer system communicates with a client server to carry out investment transactions. The Examiner argues that it would have been obvious to deduce that a client server can be a part of any type of computer system (e.g., trading, brokerage, investment manager, banking, funds transfer, and etc.) involved in the process of receiving, creating, storing and disseminating investment information (Figure 4 and col. 9, line 54 to col. 10, line 50). However, the only motivation to make the change is the instant application, and the Examiner is required to show a motivation existing in the cited art—a prior art reference is required. More over, it cannot be said that it would be obvious to modify Cwenar include these claims because Cwenar does not teach the present invention as a whole, as set out above in Sec. 3: none of the method steps of claim 1 are disclosed. Each of these claims is dependent upon and, therefore, includes the steps of claim 1, and Cwenar alone is insufficient to render claim 1 obvious. It cannot be obvious to modify Cwenar in order to include a method for an invention that Cwenar does not otherwise teach.

For claim 44, the Examiner yet more so concedes that Cwenar fails to teach a method wherein instructions are received to manage a set of investments to match an index. The Examiner argues that it would have been obvious to modify Cwenar to include a method wherein instructions are received to manage a set of investments to match an index. The Examiner goes on to contend that “The motivation to include a method wherein instructions are received to manage a set of investments to match an index is to improve the efficiency of the system by enabling the system to maintain account balances at a predetermined threshold

level.” Note that managing a set of investments to match an index will *not*, in general, maintain account balances at a predetermined threshold level. Further, Cwenar does not teach the use of client rules to manage investments, let alone receiving a selection from a set of investment management rules provided by said central computer for managing said corresponding set of investments (claim 40, which is antecedent to claim 44). Cwenar teaches rules that are used to determine compliance (col. 11, line 49 to col. 12, line 21). Because Cwenar teaches neither the use of client rules to manage investments nor the present invention, it cannot be obvious to modify Cwenar to teach this method of the present invention. Further, the only motivation to make the change is the instant application, and the Examiner is required to show a motivation existing in the cited art—a prior art reference is required. More over, it cannot be said that it would be obvious to modify Cwenar include these claims because Cwenar does not teach the present invention as a whole, as set out above in Sec. 3: none of the method steps of claim 1 are disclosed. Each of these claims is dependent upon and, therefore, includes the steps of claim 1, and Cwenar alone is insufficient to render claim 1 obvious. It cannot be obvious to modify Cwenar in order to include a method for an invention that Cwenar does not otherwise teach.

For claims 45-51, the Examiner concedes further that Cwenar fails to teach a method wherein investment management rules contain instructions for managing equity asset investments, interest-bearing assets and derivatives. The Examiner argues that it would have been obvious to modify the teachings of Cwenar to include a method wherein investment management rules contain instructions for managing equity asset investments, interest-bearing assets, and derivatives. However, Cwenar does not teach the use of client rules to manage investments, let alone receiving a selection from a set of investment management rules provided by said central computer for managing said corresponding set of investments (claim 40, which is antecedent to claims 45-51). Cwenar teaches rules that are use to determine

compliance (col. 11, line 49 to col. 12, line 21). Because Cwenar teaches neither the use of client rules to manage investments nor the present invention, it cannot be obvious to modify Cwenar to teach this method of the present invention. Further, the only motivation to make the change is the instant application, and the Examiner is required to show a motivation existing in the cited art—a prior art reference is required. More over, it cannot be said that it would be obvious to modify Cwenar include these claims because Cwenar does not teach the present invention as a whole, as set out above in Sec. 3: none of the method steps of claim 1 are disclosed. Each of these claims is dependent upon and, therefore, includes the steps of claim 1, and Cwenar alone is insufficient to render claim 1 obvious. It cannot be obvious to modify Cwenar in order to include a method for an invention that Cwenar does not otherwise teach.

#### **5. Paragraph 5 of the Office Action**

In paragraph 5 of the Office Action, claims 20 and 27 have been rejected pursuant to 35 U.S.C. 103(a). The Examiner contends that these claims are obvious in view of Cwenar US Pat No. 5,893,079 and in further view of Wallman US Pat No. 6,338,047-B1.

For claim 20, the Examiner concedes additionally that Cwenar fails to teach a method wherein a set of investments is changed in response to a client transaction in a cash management account system. The Examiner argues that it would have been obvious to modify the teachings of Cwenar to include a method of adjusting the assets and liabilities of a fund in response to an action by one of the fund's members as taught by Wallman. However, it cannot be said that it would be obvious to modify Cwenar include these claim requirements because Cwenar does not teach the present invention as a whole, as set out above in Sec. 3: none of the method steps of claim 1 are disclosed. Each of these claims is dependent upon and, therefore, includes the steps of claim 1, and Cwenar alone is insufficient to render claim 1 obvious. It cannot be obvious to modify Cwenar in order to include a method for an invention that Cwenar does not otherwise teach. Further, the only motivation to make the change is the

instant application, and the law requires that the motivation be found in the cited art. *See, e.g., In re Lee; In re Rouffet; In re Kotzab.* Examiner is required to show a motivation existing in the cited art. In addition to the many claim requirements not shown, the cited art shows no recognition of the problem solved by the claimed invention, no source of the problem being solved by the instant invention, and is no more than a prohibited “obvious to try” argument. See Sec. 3 above re claim elements not disclosed even by the combination, and *prima facie* obviousness has not been shown.

For claim 27, the Examiner additionally concedes that Cwenar fails to teach a method wherein investments may be reallocated from one investment set to another. The Examiner argues that it would have been obvious to modify Cwenar to include a method wherein investments may be reallocated from one investment set to another as taught by Wallman (col. 7, line 64). However, Wallman is teaching the sale of a first designated stock for cash and then using the cash to effect a purchase of a second designated stock (col. 7, line 66), thus generating transactions costs for the fund that the fund must act to minimize (col. 8, lines 8-17). In contrast, claim 27 requires “wherein said reallocating does not include the fund buying or selling said one investment,” which eliminates the cost and inefficiency of selling and buying for cash, plus it is a reallocation of one investment from one investment set to another, not a stock swap involving two investments as taught by Wallman. Therefore, it cannot be obvious to modify Cwenar, who does not teach the present invention, by combining his teaching with Wallman, who does not teach the method of claim 27, to teach the method of claim 27.

Again, it cannot be said that it would be obvious to modify Cwenar include these claim requirements because Cwenar does not teach the present invention as a whole, as set out above in Sec. 3: none of the method steps of claim 1 are disclosed. Each of these claims is dependent upon and, therefore, includes the steps of claim 1, and Cwenar alone is insufficient to render claim 1 obvious. It cannot be obvious to modify Cwenar in order to include a method

for an invention that Cwenar does not otherwise teach. Further, the only motivation to make the change is the instant application, and the law requires that the motivation be found in the cited art. *See, e.g., In re Lee; In re Rouffet; In re Kotzab.* Examiner is required to show a motivation existing in the cited art. In addition to the many claim requirements not shown, the cited art shows no recognition of the problem solved by the claimed invention, no source of the problem being solved by the instant invention, and is no more than a prohibited "obvious to try" argument. See Sec. 3 above re claim elements not disclosed even by the combination, and *prima facie* obviousness has not been shown.

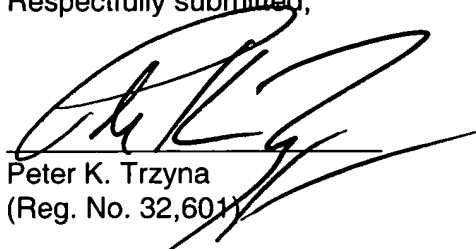
In conclusion, it is respectfully submitted that all of the rejections of the claims of the present invention have been traversed. If allowance is not forthcoming, Applicant requests a conference with the Examiner. Further, Applicant expresses appreciation for the Examiner's consideration and examination of the instant case.

### III. CONCLUSION

The application, as amended, is believed to be in condition for allowance, and favorable action is requested. If any extension of time for responding is required, it is requested that this be deemed a petition therefore, and the Commissioner is authorized to charge any required fee, or credit any overcharge to, PTO Account 50-0235.

Respectfully submitted,

Date: October 30, 2002

  
Peter K. Trzyna  
(Reg. No. 32,601)

P.O. Box 7131  
Chicago, IL 60680-7131

(312) 240-0824